

**DAHOTRE & DAHOTRE**  
Chartered Accountants



Knowledge and Development Committee

# Newsletter

Period of Update: 9<sup>th</sup> December 2024 to 15<sup>th</sup> December 2024  
Period of Issue: 16<sup>th</sup> December 2024 to 22<sup>nd</sup> December 2024

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## Editor-in-Chief's Message

Hello readers!

Welcome to the **47**<sup>th</sup> Newsletter Edition of 2024.

In this issue, we will discuss Foreign Trade Policy of India 2023 and Section 194T: TDS on Payment by Partnership Firm to Partners. Also, we will know about Types of GST Returns.

**Vinod Jangid**  
Editor-in-chief

## Team's Message

"No matter how brilliant your mind or strategy. If you are playing a solo game. You will always lose out to a team."

**Chitra Saraf**  
Senior Executive (Book Keeping)

## Short Updates:

### RERA

- The Maharashtra Real Estate Regulatory Authority (MahaRERA) has initiated scrutiny of all lapsed housing projects and issued show-cause notices to around 11,000 such projects, most of which are in the Mumbai Metropolitan Region.
- The notices have been issued to developers who have failed to update their project's status and related information with MahaRERA even after the project's completion date was initially submitted to the regulator.
- MahaRERA warned that if there is no response within 30 days, registration of these projects may be suspended or cancelled, along with a restriction on the sale of flats and the freezing of bank accounts.

### Indirect Tax

- Group of Ministers proposes reducing GST rate to 5% for all individual health insurance services.
- The Group of Ministers (GoM) earlier this month on GST rate rationalisation had decided to increase the rate on products such as aerated beverages, cigarettes, tobacco and related products to 35 per cent from the current 28 per cent, PTI had reported. Possible Recommendation to GST Council Meeting holding on 21st December 2024.
- Applicability of TDS @2% on Metal Scrap Purchases. TDS at 2% (split as CGST 1% and SGST 1% or IGST 2%) is to be deducted on purchases of metal scrap from registered suppliers in B2B transactions.
- Applicable only when the supply value of scrap goods exceeds INR 2.5 lakh

## 01 Audit Foreign Trade Policy of India 2023



Isha Dagra

### FOREIGN TRADE POLICY OF INDIA 2023:

#### OBJECTIVES, HIGHLIGHTS & IMPACT

The world changes constantly, and so does India's trade policy to grab chances and meet needs. The foreign trade policy 2023 is part of this change, aiming to up India's game globally. This article will explore the key aspects of the new foreign trade policy, discovering its objectives, focus areas, highlights, and benefits.

#### WHAT IS FOREIGN TRADE POLICY (FTP) OF INDIA?

India's foreign trade policy, or FTP, is an essential set of rules on how India does business with the world. The Directorate General of Foreign Trade (DGFT) takes charge of it. The main goals of India's FTP are to boost exports, create favourable conditions for trade, and support steady economic growth.

#### OBJECTIVES OF FOREIGN TRADE POLICY

Here are the main objectives of foreign trade policy, which aim to improve how India trades with the world:

##### 1. Global Integration of India

The goal of the foreign trade policy FTP is to combine India with the world markets smoothly. It aims to showcase India as a trustworthy trade partner globally.

##### 2. Creating a Supportive Ecosystem

Shifting from incentives, India's foreign trade policy strives to build an environment that supports businesses, in line with the principles of 'Atma Nirbhar Bharat' and 'Local goes Global.'

##### 3. Preparing for the Future

It's about gearing India up to face future challenges, focusing on making it one of the top exporting nations, especially during the anticipated 'Amrit Kaal' period.

##### 4. Collaborating with State Governments

Recognising the importance of local efforts, the policy encourages partnerships with state governments to promote exports at the grassroots level.

##### 5. Tripling India's Goods and Services Exports

The policy aims to push India's exports up to \$2 trillion by 2030. This is a huge jump from the present \$760 billion.

#### HISTORY OF FOREIGN TRADE POLICY IN INDIA

India's foreign trade policy has evolved. Initially, it aimed at self-sufficiency by limiting imports through high tariffs and restrictions. However, reforms in the 1980s and 1990s brought about significant changes, reducing tariffs and opening up to foreign investment. Post-liberalisation, India has continued simplifying trade procedures and focusing on key sectors like IT and manufacturing. Joining regional and global trade agreements has further connected India to the world economy. Recent efforts have focused on making trade easier and boosting India's global trade share, aiming to establish it as a top manufacturing and export destination.

#### FIRST FOREIGN TRADE POLICY OF INDIA

Before 1992, India had no foreign trade policy but operated under various laws and regulations. However, the 1992 Export-Import (EXIM) Policy changed this by introducing a comprehensive approach to trade. It reduced tariffs and restrictions, making importing goods easier and attracting foreign investment. The policy also aimed to boost exports by offering incentives and simplifying procedures.

## NEW FOREIGN TRADE POLICY APPROACH

The new foreign trade policy approach changes India's trade strategy. It aims to ensure continuity and responsiveness, with revisions scheduled as needed based on feedback from trade and industry sectors. This new foreign trade policy focuses on tax remission over incentives and emphasises greater trade facilitation through technology and collaboration among exporters, states, and districts. It also targets emerging areas like e-commerce exports and streamlines Special Chemicals, Organisms, and Materials, Equipment and Technologies (SCOMET) policies, reflecting a comprehensive approach to India's foreign trade.

## HIGHLIGHTS OF FOREIGN TRADE POLICY 2023

Here are the main foreign trade policy 2023 highlights, focusing on incentives for exporters and collaborative export promotion efforts:

### 1. Incentive to Remission

These benefits include duty refunds, the export growth capital equipment plan, the pre-clearance scheme, and free trade agreements (FTAs).

### 2. Export Promotion through Collaboration

The policy assists in identifying the challenges and devising strategies for increasing exports. Also, it encourages collaboration among the exporters, districts, states and Indian missions outside.

### 3. Ease of Doing Business

The policy simplifies paperwork and documentation processes to make exporting cost-effective and simplified for businesses.

### 4. Emerging Areas

The policy seeks to position India as a leading manufacturing, pharmaceutical, and e-commerce player.

## KEY FEATURES OF FOREIGN TRADE POLICY 2023

Let's explore the key features of the foreign trade policy 2023, shedding light on significant initiatives

aimed at enhancing India's trade ecosystem:

### 1. Process Re-Engineering and Automation

The foreign trade policy 2023 prioritises efficiency through automated IT systems, reducing paperwork and streamlining processes. Continuation of schemes like Advance Authorisation and Export Promotion Capital Goods (EPCG) ensures accessibility to export benefits, especially for MSMEs, with reduced fees and simplified procedures.

### 2. Towns of Export Excellence

Introducing Faridabad, Mirzapur, Moradabad, and Varanasi as Towns of Export Excellence (TEE) alongside existing ones aims to boost exports, particularly in handlooms, handicrafts, and carpets. These TEEs will receive priority access to export promotion funds and benefit from Common Service Provider (CSP) support under the EPCG Scheme.

### 3. Recognition of Exporters

Exporter firms recognised for their performance will engage in capacity-building initiatives. Additionally, exporters with 2-star and above status will impart trade-related training, contributing to India's skilled workforce for economic growth.

### 4. Promoting Export from the Districts

Collaborating with State governments, the policy aims to promote district-level exports through the Districts as Export Hubs (DEH) initiative. This involves identifying export opportunities and resolving concerns through State and District Export Promotion Committees.

### 5. Streamlining SCOMET Policy

With an enhanced understanding of SCOMET regulations, the policy strengthens compliance with international treaties. This ensures access to advanced goods and technologies for Indian exporters while facilitating controlled exports under SCOMET from India.

### 6. Facilitating E-Commerce Exports

Plans for e-commerce hubs and simplified procedures

aim to boost e-commerce exports. Increased caps on courier exports and establishing Dak Niryat Facilitation Centres will support artisans, weavers, artisans, and MSMEs in reaching international markets.

#### 7. Facilitation under the EPCG Scheme

The rationalisation of the EPCG Scheme includes exemptions for the dairy sector and reduced obligations for green technology products. The addition of the PM MITRA scheme expands benefits under the EPCG Scheme.

#### 8. Facilitation under the Advance Authorisation Scheme (AAS)

The Advance Authorisation Scheme offers duty-free imports for manufacturing export items, with special provisions for prompt execution of export orders. Benefits are extended to 2-star and above status holders.

#### 9. Merchanting Trade

Introducing merchanting trade enables the trade of restricted items without involving Indian ports, aiming to develop India as a merchanting trade hub akin to its global counterparts.

#### 10. Amnesty Scheme

The one-time Amnesty Scheme addresses defaults on export obligations, relieving exporters burdened by duty and interest costs. Regularisation of pending cases offers exporters a fresh start with capped interest payments.

### IMPACT OF FOREIGN TRADE POLICY ON IMPORT

FTP 2023 streamlines import documentation requirements, reducing processing times through the use of digital technologies and making customs clearance more efficient. It reduces the cargo release time. However, there are certain exceptions, such as prohibiting importing gifts through post or courier, including those purchased from e-commerce portals, unless these are life-saving drugs or medicines and rakhi.

The foreign trade policy 2023 lays the groundwork for increased trade chances. It values innovation, teamwork, and easing tasks. By refining procedures and introducing specific benefits, the policy's goal is to boost exporters, stir up economic progress, and strengthen India's global marketplace stance.

#### QUESTIONS:

##### 1) What is India's new foreign trade policy for 2023?

India's new foreign trade policy unveils a thorough plan to boost trade chances. It fuels collaboration to make India stronger in worldwide competition.

##### 2) What is the focus of FTP 2023?

FTP 2023 facilitates trade through process re-engineering, automation, and collaboration. It simplifies export procedures, promotes district-level exports, and strengthens control mechanisms.

##### 3) What are the key highlights of the new foreign trade policy in 2023?

The New Trade Policy of 2023 pinpoints some main areas. For one, it highlights the Towns of Export Excellence (TEE). It also awards good-performing exporters. Plus, e-commerce exports get a boost. Additionally, the policy streamlines SCOMET regulations, rationalises export promotion schemes, and introduces an Amnesty Scheme.

#### What are the benefits of foreign trade policy 2023?

The Foreign Trade Policy 2023 brings advantages such as more export rewards like duty refund, EPCG plan, and upfront authorisation plan. These help cut costs, help competitiveness and ease of business for those who export, mainly MSMEs. Furthermore, this policy encourages exports and e-commerce at the district level. It also offers a breather to exporters with the Amnesty Scheme.

*Read next: Section 194T: TDS on Payment by Partnership Firm to Partners*

## 02 Direct Tax

### Section 194T: TDS on Payment by Partnership Firm to Partners



Sakshi Pawar

This Standard sets out the principles for the recognition, measurement, presentation and Budget 2024 inserted a new provision in the Act stating that certain payments made to a partner by a firm shall be liable for TDS deduction in accordance with the provisions of Section 194T. Earlier, TDS was not applicable on partner's remuneration, interest, commission etc. However, TDS was applicable on payments made to employees by firm's u/s 192. A new Section 194T (Payments to partners of firms) expands the scope of TDS to include payments made by firms to its partners.

#### Applicability

This section will be applicable from 1st April, 2025 i.e. FY 2025-26.

#### What are the payments covered in Sec 194T?

Payments by a firm to a partner that are covered in Section 194T are as under:

- Salary
- Remuneration
- Commission
- Bonus or
- Interest on any account (It can be on a loan account or on a capital account)

Important Note: TDS is not applicable on the drawings, repayment of loan (Principal Component) to

partners or reimbursement of expenses. But TDS applicable on interest on capital or loan from partner.

TDS u/s 194T applicability on various payments made by firms to its partners (w.e.f. 01.04.2025)			
Nature of payment	TDS Applicability	TDS Rate	Threshold limit
Salary/Remuneration to partner	YES	10%	Overall threshold limit is Rs. 20000 per financial year
Commission to partner	YES	10%	
Bonus to partner	YES	10%	
Interest on capital of partner	YES	10%	
Interest on Loan from partner	YES	10%	
Capital repayment/Drawings	NO	-	NA

#### TDS Rate and Threshold Limit

Firms are required to deduct TDS at a rate of 10% on payments made to partners if the aggregate amount exceeds INR 20,000 in a financial year. Please note that TDS will be applicable on whole amount if aggregate exceeds the threshold limit. For instance, if a partnership firm/LLP pays INR 5,00,000 to a partner as remuneration in a financial year, the TDS under Section 194T would amount to INR 50,000 (i.e., 10% of INR 5,00,000).

#### When to Deduct TDS u/s 194T?

The TDS is to be deducted at earlier of the following dates:

- Credit to the account (including capital account) of partner in the books of the firm or
- Payment to the partner

#### Whether TDS u/s 194T applicable on an LLP?

Yes, Section 194T is applicable to firms, including partnership firms and LLPs.

#### How it is different from Section 192?

Section 192 of the Income Tax Act deals with TDS on salaries, which is applicable only to income chargeable under the head "Salaries." It specifically excludes payments made to partners of a firm, as these are not considered under the "Salaries" head. Explanation 2 to Section 15 explicitly states that salary, bonus, commission, or remuneration to partners of a firm are excluded from the income head "Salaries." Therefore, these payments were not liable for TDS under Section 192. Section 194T bridges this gap by bringing such payments under the preview of TDS, ensuring that

partners' income from the firm is subject to tax deduction at source.

### Benefits of Section 194T

#### 1) Improved Tax Compliance

By bringing partner payments under the TDS net, Section 194T ensures better tax compliance and reduces the scope for tax evasion. This contributes to the overall transparency and integrity of the tax system.

#### 2) Broadened Tax Base

The inclusion of partner payments in TDS broadens the tax base, ensuring that more income is subject to tax at source. This helps in increasing the revenue collection for the government.

#### 3) Financial Discipline

The requirement to deduct TDS instils financial discipline among firms, encouraging them to maintain accurate records and adhere to tax laws.

### Compliance Requirements for Firms

Firms must adhere to specific compliance procedures to meet the requirements of Section 194T:

- Obtain TAN if it hadn't obtained the same yet: Firms must obtain a Tax Deduction and Collection Account Number (TAN) if they do not already have one.
- Deduct TDS: Ensure that TDS is deducted at the rate of 10% on payments exceeding the INR 20,000 threshold, from April 2025 i.e. date of applicability of this section
- Deposit TDS: Deposit the deducted TDS to the government within the stipulated time frame, and in correct manner to avoid any fees or penalties
- File TDS Returns: File quarterly TDS returns detailing the deductions and payments made.
- Issue TDS Certificates: Issue TDS certificates (Form 16A) to the partners, providing them with proof of the tax deducted.

### Conclusion

Section 194T is a pivotal amendment in the Income Tax Act, aimed at improving tax compliance and broadening the tax base. While it brings about additional compliance requirements it also ensures that income is appropriately taxed at source. Firms need to prepare for this change by setting up robust systems and processes, obtaining Tax Deduction and Collection Account Number (TAN), and ensuring timely TDS deductions and deposits. With effective implementation and adequate awareness, Section 194T can contribute significantly to the transparency and efficiency of the Indian tax system.

### Questions:

- 1) On payment of Salary to partner TDS shall be deducted under section 194T or 192 and why?
- 2) INR 19,000 is paid as salary to partner and INR 2,000 is paid as interest on loan. Will 194T be applicable?
- 3) INR 15,000 interest paid to partner and expenses worth INR 50,000 reimbursed. Will 194T be applicable?

### Learnings

- Firms are required to deduct TDS at a rate of 10% on payments made to partners if the aggregate amount exceeds INR 20,000 in a financial year.
- The TDS is to be deducted at earlier of the following dates:
- Credit to the account (including capital account) of partner in the books of the firm or Payment to the partner
- Payments covered under this section
- Salary, Remuneration, Commission, Bonus or
- Interest on any account (It can be on a loan account or on a capital account
- Payments not covered under this section
- Drawings or repayment of loan to partners, Reimbursement of expenses

- Read next: Types of GST Returns

## 03 Indirect Tax

### Types of GST Returns



Vedant Potdar

#### GSTR 4

GSTR-4 is the annual GST Return that has to be filed by a composition dealer. Unlike a regular taxpayer who is required to furnish 2 monthly returns and an annual return, a dealer opting for the composition scheme is required to furnish one return every quarter in Form CMP-08 and Form GSTR 4 once a year.

#### GSTR-4 due date

GSTR-4 is required to be filed on an annual basis.

- The due date for filing GSTR-4 is 30th of April following the relevant financial year\*. For example, the GSTR-4 for FY 2023-24 was due by 30th April 2024. Until the FY 2018-19, the due date was 18th of the month following the end of the quarter.
- However, in the 53rd GST Council meeting, the Council recommended that the deadline to file GSTR-4 for a financial year will be extended from 30th April to 30th June of the succeeding financial year from FY 2024-25 onwards. This change was thereafter notified in the CGST Notification 12/204 dated 10th July 2024.

#### Late fees and penalty

- As per the latest update, a late fee of INR 50 per day is charged up to a maximum of INR 2,000. Where the tax liability is nil, the maximum late fee is INR 500.

#### GSTR 5

- Every registered non-resident taxable person is required to furnish a return in GSTR-5 in GST Portal. Non-Resident foreign taxpayers are those suppliers who do not have a business establishment in India and have come for a short period to make supplies in India. Such a person is required to furnish details of all taxable supplies in GSTR-5.

#### Due Date

- As per the GST Act, the due date to file GSTR-5 is every 13th of next month. For instance, the return of March 2024 should be filed by 13th April 2024.

#### If the non-resident is registered u/s 27

- This is a special certificate of registration issued to a casual taxable person or a non-resident taxable person. The registration is of a temporary nature and is valid for the period specified in the application or 90 days from the effective date of registration, whichever is earlier. Such a person can make taxable supplies only after the issuance of the certificate of registration in such a case, the NR must file GSTR-5 within 7 days after the last day of the period of registration.

#### Late fees and penalty

- If you delay in filing, you will be liable to pay interest and a late fee. Interest is 18% per annum. It has to be calculated by the taxpayer on the amount of outstanding tax to be paid. A late fee is INR 50 per day and INR 20 per day if a nil return. The maximum late fees is INR 5,000.

#### GSTR 5A

- Online Information and Database Access or Retrieval (OIDAR) services are primarily a category of services which are provided by using the internet as a medium. These services are even received by the service recipient without having a physical interface with the service provider. For example, Amazon providing cloud-based services (AWS) from the United States in India.

## GST on OIDAR Services

- The OIDAR services have been brought into the tax bracket under the GST regime as well. A Return in Form GSTR-5A has been prescribed which is to be furnished by the OIDAR service providers providing services to unregistered service recipients in India. There is two category of service recipients for such services:
  - a. Registered person/entity
- The taxes on services received by such person/entity are imposed through a reverse charge mechanism (i.e. the recipient of services is liable to pay GST to the government). The GST as explained is paid by the recipients through the reverse charge mechanism. The returns are to be filed accordingly, i.e. the service receipts are to file returns or include these services while filing the returns.
- b. An unregistered person, Government, Local authority
- When the services are received by such recipients, the service providers are liable to pay GST to the government. The services received in this case should be for a purpose other than business or commerce. For these service recipients, the GSTR 5A is to be filed.

## Due Date

- A return under Form GSTR 5A has to be filed monthly. The due date for filing GSTR 5A is within 20th day of the succeeding month. For example, GSTR 5A for the services provided in the month of April 2024 has to be filed latest by 20th May 2024.

## Late fees and penalty

Normal Return: INR 200 per day

NIL Return: INR 100 per day

## GSTR 6

- An Input Service Distributor (ISD) is a taxpayer that receives invoices for services used by its branches. It distributes the tax paid known as the Input Tax Credit (ITC), to such branches on a proportional basis by issuing ISD invoices. The branches can have different GSTINs but must have the same PAN as that of ISD.

Let's understand with an example:

- The head office of ABC Limited is located in Bangalore having branches in Chennai, Mumbai and Kolkata. The head office incurred annual software maintenance expense (service received) on behalf of all its branches and received the invoice for the same. Since the software is used by all its branches, the input tax credit of entire services cannot be claimed in Bangalore. The same has to be distributed to all three locations. Here, the head office at Bangalore is the Input Service Distributor.

## Due Date and Late fees

- The due date for filing of GSTR 6 as per GST Act is 13th of next month. Late fees have been reduced to INR 50 per day. However, no provision for reduction is made where NIL return is filed.

## GSTR 7

- GSTR-7 is a return filed by the individual who deducts TDS under GST. GSTR-7 contains details of the TDS deducted, TDS liability payable and paid, TDS refund claimed, etc.

## Due Date

- The filing of GSTR-7 for a month is due on the 10th of the following month. For instance, the due date of filing GSTR-7 for November is 10th December.

## Late fees and penalty

- If the GST return is not filed on time, then a penalty of INR 100 under CGST and INR 100 under SGST shall be levied, and the total will be INR 200 per day. However, the maximum late fee should not exceed INR 5,000. There is no late fee on IGST in case of delayed filing. Along with late fees, an interest has to be paid at 18% per annum. It has to be calculated on the TDS paid. The period for interest calculation will be from the next day of the due date of filing to the payment date.

## GSTR 8

- GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST. GSTR-8 contains the details of supplies effected through e-

commerce platform and amount of TCS collected on such supplies.

### Due Date

- GSTR-8 filing for a month is due on 10th of the following month. For instance, the due date for GSTR-8 for October is on the 10th of November.

### Late fees and penalty

- If the GST return is not filed on time, then a penalty of INR 100 under CGST & INR 100 under SGST shall be levied per day. The total will be INR 200/day. The maximum is INR 5,000. There is no late fee on IGST in case of delayed filing.
- Along with late fee, interest at 18% per annum has to be paid. It has to be calculated by the taxpayer on the tax to be paid. The time period will be from the next day of filing to the date of payment.

### GSTR 9

- GSTR 9 is an annual return to be filed yearly by taxpayers registered under GST. It consists of details regarding the outward and inward supplies made/received during the relevant financial year under different tax heads i.e. CGST, SGST & IGST along with the cess and HSN codes. It is a consolidation of all the monthly/quarterly returns (GSTR-1, GSTR-2A, GSTR-2B, and GSTR-3B) filed in that year.

The CGST Rule 80 covers the provisions pertaining to the annual return forms under the GST law. They are as follows;

- GSTR 9- Regular GST taxpayers who file GSTR 1 and GSTR 3B must file this return, especially if they cross the GST annual return limit of Rs.2 crore turnover during the financial year.
- GSTR 9A- Composition taxable persons had to file this annual return until FY 2018-19. However, from FY 2019-20 onwards, it is replaced with GSTR-4 annual return due for every financial year on 30th April of the following year.
- GSTR 9B- This annual return is applicable under the GST law to e-commerce operators collecting tax TCS (tax at source) and filing GSTR 8 each month. However, the filing of this annual return is put on hold.

- GSTR 9C- Annual Reconciliation Statement is an audit form that must be self-certified and filed by all taxpayers whose aggregate turnover exceeds INR 5 crores in a financial year.

### Due Date

- GSTR 9 last date for FY 2023-24 is 31st December 2024. GST annual return due date or GSTR-9 due date is 31st of December of next year for a particular financial year.

### Late fees and penalty

S.No	Turnover limit	Late fee per day	Maximum late fee
1	Up to Rs.5 crore	Rs.50 (Rs.25 each under CGST and SGST Act)	0.04% of turnover in state/UT (0.02% each under CGST and SGST Act)
2	More than Rs.5 crore and less than Rs.20 crore	Rs.100 (Rs.50 each under CGST and SGST Act)	0.04% of turnover in state/UT (0.02% each under CGST and SGST Act)
3	More than Rs.20 crore	Rs.200 (Rs.100 each under CGST and SGST Act)	0.50% of turnover in state/UT (0.25% each under CGST and SGST Act)

### GSTR 10

- A taxable person whose GST registration is cancelled or surrendered has to file a return in the form GSTR-10. This return is called a final return.

### Due Date

- GSTR-10 must be filed within three months from the date of cancellation or date of cancellation order whichever is later.
- For instance, if the date of GST registration cancellation is 1st January 2024 and the taxpayer has received the cancellation order on 5th January 2024. Then, the concerned business must file GSTR-10 by 5th April 2024.

### Late fees and penalty

- If the GSTR 10 is not filed within the due date, a notice will be sent to such a registered person. The person will be given 15 days' time for filing the return with all the documents required. If the

person still fails to file the return, the tax officer will pass the final order for the cancellation with the amount of tax payable along with interest or penalty.

### Questions

- 1) Mr. A is a registered dealer in Kerala paying tax under composition levy from 1st April. However, he opts to pay tax under regular scheme from 1st December. Is he liable to file GSTR-4 for the said F.Y. during which he opted out of composition scheme?
- 2) Can a person registered under Composition scheme pay its outward liability via E-credit Ledger?
- 3) What's the difference between GSTR 9 and GSTR 9C

*Read next: Wall of Wisdom*

## WALL OF WISDOM (WOW):

- "Mistakes are proof you're trying".
- "The best time to start is now."

Read next: Do you know?

## DO YOU KNOW?

1. Did you know Ants don't have lungs? They instead breathe through spiracles, nine or ten tiny openings, depending on the species.
2. Did you know it is impossible for most people to lick their own elbow.

## What else do You Know?

Let us know.

Read next: Motivational Quote

## MOTIVATIONAL QUOTE:

**"Faith is the bird that feels the light  
when the dawn is still dark."**

**— Rabindranath Tagore**

### Sources-

- Company Law Notifications and Circulars
- CBDT Notifications and Circulars
- CBIC Notifications and circulars
- Other Allied Law Notifications and circulars
- MCA21 Website.
- Income Tax Website.
- GST Website.
- Other Statutory Government Websites.
- Extracts from Tax guru- Extracts from Clear Tax. - Extracts from CA club India.

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Read next: Statutory Due Date

## Best Newsletter Presenters of 2024

Month's	Best Presenters
July	Arpit Kale
August	Srushti Zodage
September	Sakshi Pawar
October	Akash Patel

## Statutory Due Dates Calendar

## INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2024	1 TDS/TCS Payment	March 2024	TDS 30/04/2024 and TCS 07/04/2024
May-2024	1 TDS/TCS Payment	April 2024	07/05/2024
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2023-24	31/05/2024
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2023-24	15/05/2024
	4 Statement of Financial Transactions (SFT) Compliance	FY 2023-24	31/05/2024
June-2024	1 TDS/TCS Payment	May 2024	07/06/2024
	2 Advance Tax	1 <sup>st</sup> Installment of FY 2024-25	15/06/2024
	3 Form 16/ 16A	Q4 FY 2023-24	15/06/2024
July-2024	1 TDS/TCS Payment	June 2024	07/07/2024
	2 TDS Statement for Form 24Q	Q1 FY 2024-25	31/07/2024
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q1 FY 2024-25	15/07/2024
	4 Income tax Return for A.Y. 2024-25 for all assessee other than (a) Assessee whose accounts are required to be audited (b) Partner of a firm whose accounts are required to be audited (c) An assessee who is required to furnish a report under Section 92E.	FY 2023-24	31/07/2024
August-2024	1 TDS/TCS Payment	July 2024	07/08/2024
September-2024	1 TDS/TCS Payment	August 2024	07/09/2024
	2 Advance Tax	2 <sup>nd</sup> Instalment FY 2024-25	15/09/2024
	3 Due date for filing of audit report under Section 44AB for AY 2024-25 in the case of a corporate- assessee or non-corporate assessee (who is	FY 2023-24	30/09/2024

required to submit his/its return of income on October 31, 2024)

Q1 FY 2024-25

**TDS Statement for Form 26Q and 27Q**

30/09/2024

<b>October-2024</b>	1	TDS/TCS Payment	September 2024	07/10/2024
	2	Due date for filing of return of income for AY 2024-25 if assessee is  (a) Corporate-assessee (b) Non-corporate assessee (whose books of account are required to be audited) (c) Partner of a firm whose accounts are required to be audited (d) An assessee who is required to furnish a Report u/s 92 E	FY 2023-24	31/10/2024
	3	TDS Statement for Form 24Q, 26Q and 27Q	Q2 FY 2024-25	31/10/2024
	4	TCS Statement– for Form 26QB, 26QC, 26QD	Q2 FY 2024-25	15/10/2024
<b>November-2024</b>	1	TDS/TCS Payment	October 2024	07/11/2024
<b>December-2024</b>	1	TDS/TCS Payment	November 2024	07/12/2024
	2	Advance Tax	3 <sup>rd</sup> Installment FY 2024-25	15/12/2024
	3	<b>Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.</b>	<b>FY 2023-24</b>	<b>31/12/2024</b>
<b>January-2025</b>	1	TDS/TCS Payment	December 2024	07/01/2025
	2	TDS Statement for Form 24Q, 26Q and 27Q	Q3 FY 2024-25	31/01/2025
	3	TCS Statement– for Form 26QB, 26QC, 26QD	Q3 FY 2024-25	15/01/2025
<b>February-2025</b>	1	TDS/TCS Payment	January 2025	07/02/2025
<b>March-2025</b>	1	Advance Tax	4 <sup>th</sup> Installment of FY 2024-25	15/03/2025
	2	TDS/TCS Payment	February 2025	07/03/2025

## GOODS AND SERVICES TAX ACT

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2024	1 GSTR 1 (Regular Taxpayers)	March 2024	11/04/2024
	2 GSTR 1 (Quarterly Taxpayers)	March 2024	13/04/2024
	3 GSTR 3B (Monthly Return)	March 2024	20/04/2024
	3 GSTR 3B (Quarterly Return)	Jan to Mar 2024	22/04/2024
	4 CMP 08	Jan to Mar 2024	18/04/2024
5 GSTR 4(Annual Return under Composition scheme)	Apr 2023 to Mar 2024	30/04/2024	
May-2024	1 GSTR 1 (Regular Taxpayers)	April 2024	11/05/2024
	2 GSTR 3B (Monthly Return)	April 2024	20/05/2024
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2024	25/05/2024
June-2024	1 GSTR 1 (Regular Taxpayers)	May 2024	11/06/2024
	2 GSTR 3B (Monthly Return)	May 2024	20/06/2024
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2024	25/06/2024
July-2024	1 GSTR 1 (Regular Taxpayers)	June 2024	11/07/2024
	2 GSTR 1 (Quarterly Taxpayers)	Apr to June 2024	13/07/2024
	3 GSTR 3B (Monthly Return)	June 2024	20/07/2024
	4 GSTR 3B Quarterly Return)	June 2024	22/07/2024
	5 CMP-08	Apr to June 2024	18/07/2024
August-2024	1 GSTR 1 (Regular Taxpayers)	July 2024	11/08/2024
	2 GSTR 3B (Monthly Return)	July 2024	20/08/2024

August-2024	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2024	25/08/2024
	1	GSTR 1 (Regular Taxpayers)	August 2024	11/09/2024
September-2024	2	GSTR 3B (Monthly Return)	August 2024	20/09/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2024	25/09/2024
	1	GSTR 1 (Regular Taxpayers)	September 2024	11/10/2024
October-2024	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2024	13/10/2024
	3	GSTR 3B (Monthly Return)	September 2024	20/10/2024
	4	GSTR 3B (Quarterly Return)	July to Sept 2024	22/10/2024
	5	CMP-08	July to Sept 2024	18/10/2024
	1	GSTR 1 (Regular Taxpayers)	October 2024	11/11/2024
November-2024	2	GSTR 3B (Monthly Return)	October 2024	20/11/2024
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2024	25/11/2024
	1	GSTR 1 (Regular Taxpayers)	November 2024	11/12/2024
December-2024	2	GSTR 3B (Monthly Return)	November 2024	20/12/2024
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2024	25/12/2024
	4	GSTR-9( Annual Return)	FY 2023-24	31/12/2024
	1	GSTR 1 (Regular Taxpayers)	December 2024	11/01/2025
January-2025	2	GSTR 1 (Quarterly Return)	Oct to Dec 2024	13/01/2025
	3	GSTR 3B (Monthly Return)	December 2024	20/01/2025
	4	GSTR 3B Quarterly Return)	Oct to Dec 2024	22/01/2025
	5	CMP-08	Oct to Dec 2024	18/01/2025
	February-2025	1	GSTR 1 (Regular Taxpayers)	January 2025
2		GSTR 3B (Monthly Return)	January 2025	20/02/2025
3		Monthly Tax Payment under QRMP	January 2025	25/02/2025

		Scheme(PMT 06)		
March-2025	1	GSTR 1 (Regular Taxpayers)	February 2025	11/03/2025
	2	GSTR 3B (Monthly Return)	February 2025	20/03/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2025	25/03/2025
April-2025	1	GSTR 1 (Regular Taxpayers)	March 2025	11/04/2025
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2025	13/04/2025
	3	GSTR 3B (Monthly Return)	March 2025	20/04/2025
	4	GSTR 3B Quarterly Return)	Jan to Mar 2025	22/04/2025
	5	CMP-08	Jan to Mar 2025	18/04/2025
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2024 to Mar 2025	30-04-2025

## COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2024	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	30 <sup>th</sup> April 2024 (For the period of October'23 – March'24)
May-2024	LLP FORM-11	Annual Return (to be filed by all LLP's irrespective of turnover)	30 <sup>th</sup> May 2024
June-2024	DPT-3	<b>To be filed in case company has deposit or exempted deposit.</b>	<b>30<sup>th</sup> June 2024</b>
September-2024	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on Board	30 <sup>th</sup> September 2024
October-2024	ADT-1	Form for Auditor Appointment	15 <sup>th</sup> October 2024
	AOC-4	Form for filing Financials, Auditors Report, Directors Report, etc.	30 <sup>th</sup> October 2024
	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	31 <sup>st</sup> October 2024 (For the period of April'24 – September'24)
November-2024	MGT-7	ROC Annual Return (Details of Shareholding etc.)	29 <sup>th</sup> November 2024
Event Based	CHG FORMS	Form for charge creation, modification, satisfaction	Within 30 days of any charge occurring
	DIR-12	Form for Director Changes (Appointment/Resignation/Death)	Within 30 days of any charge occurring

## PTRC and PTEC Compliance

Due Dates in the Month of	Particulars	Description	Due Date
June-2024	PTEC	Person who stands enrolled before the commencement of a year or is enrolled on or before 31st May of a year (F.Y. 2023-24)	30/06/2024
		Person who is enrolled after the 31st May of a year	Within one month of the date of enrolment
		Person who is enrolled and the rate of tax at which he is liable to pay tax is revised	Within one month of the date of such revision
March-2025	PTRC	<b>Yearly</b> - Tax Liability is less than INR 1,00,000/-	31/03/2024
		<b>Monthly</b> - Tax Liability is equal to or more than INR 1,00,000/-	The last date of the month to which the return relates

## VAT

Due Dates in the Month of	Particulars	For the Period	Due Date
April 2024	1 Monthly Return (VAT payment)	March 2024	21/04/2024
	2 Quarterly Return (VAT payment)	January 2024 to March 2024	21/04/2024
May 2024	1 Monthly Return (VAT payment)	April 2024	21/05/2024
June 2024	1 Monthly Return (VAT payment)	May 2024	21/06/2024
July 2024	1 Monthly Return (VAT payment)	June 2024	21/07/2024
	2 Quarterly Return (VAT payment)	April 2024 to June 2024	21/07/2024
August 2024	1 Monthly Return (VAT payment)	July 2024	21/08/2024
September 2024	1 Monthly Return (VAT payment)	August 2024	21/09/2024
	1 Monthly Return (VAT payment)	September 2024	21/10/2024
October 2024	2 Quarterly Return (VAT payment)	July 2024 to September 2024	21/10/2024
	1 Monthly Return (VAT payment)	October 2024	21/11/2024
November 2024	1 Monthly Return (VAT payment)	November 2024	21/12/2024
	1 Monthly Return (VAT payment)	December 2024	21/01/2025
January 2025	2 VAT Audit (Form 704)	F.Y. 2023-2024	15/01/2025
	3 Quarterly Return (VAT payment)	October 2024 to December 2024	21/01/2025
February 2025	1 Monthly Return (VAT payment)	January 2025	21/02/2025
March 2025	1 Monthly Return (VAT payment)	February 2025	21/03/2025

## Summary of Penalties of Income Tax

Particulars	Description	Amount/ Interest rate
1. Default in making payment of tax.	The amount of penalty leviable will be as determined by the Assessing Officer. However, the amount will not exceed the amount of tax in arrears 2023	Penalty determined by the assessing officer
2. Under-reporting of income.	1. If the income assessed/ re-assessed exceeds the income declared by the assessee, or in cases where return has not been filed and income exceeds the basic exemption limit, penalty at 50% of tax payable on such under reported income shall be levied.	50% of tax payable Under reported Income OR 200% of tax payable from misreporting of income
	2. 200% of the tax is payable if under-reporting results from misreporting of income	
3. Failure to maintain books of accounts and other documents	1. Normally, the amount of penalty leviable is INR25,000	INR 25000 OR 2% of value of International transaction
	2. In case, the assessee is a person who has entered into international transaction, the penalty will be 2% of the value of such international transactions or specified domestic transactions	
4. Penalty for false entry such as fake invoices	1. The assessee might have to pay a penalty of the amount equal to sum of such false or omitted entries.	Amount equal to such false or omitted entries
5. Undisclosed income	1. If undisclosed income is admitted during the course of Search and assessee pays tax and interest and files return, a penalty @ 30% of such undisclosed income is payable.	30% OR 60%
	2. In all other cases, penalty is leviable @ 60%	
6. Audit and Audit Report	1. If the assessee fails to get his accounts audited, obtain audit report, or furnish report of such auditor, a penalty will be leviable at the INR 1,50,000 or 0.5% of the total sale/ Turnover/ gross receipts whichever is lesser.	INR 150000/- OR 0.5% of total sale, turnover/gross receipt
	2. Failure of assessee to furnish Audit report related to foreign transaction, a penalty @ INR 1,00,000 will be payable	

7. TDS/TCS	1. Where a person fails to deduct tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to deduct/ pay.	Penalty equal to amount of Tax,
	2. Where a person fails to collect tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to collect.	
	3. Failure to furnish TDS/TCS statement or furnishing incorrect statements, shall attract a penalty ranging from 10,000 to 1,00,000	INR 10000/-to INR 100000/-
	4. Non-Deduction of TDS, either in whole or part	1% Per month
	5. Non-payment of TDS (after deduction), either in whole or part	1.5% per month
	6. Failure to furnish information/ furnishing inaccurate information related to TDS deduction related regarding Non-residents shall attract a penalty of 100,000	INR 100000/-
8. Penalty for using modes other than Account payee cheque/ draft/ ECS	1. If a person takes/ accepts loan/ deposit except by way of Account payee cheque/ account payee draft/ ECS, and if the aggregate amount exceeds INR20,000, he shall be liable to pay a penalty of an amount equal to such loan/ deposit.	Penalty amount equals to such loan / deposit
	2. If, an amount of INR2,00,000 or more is received in aggregate from a person in a day/ single transaction/ relating to one event, a penalty equal to such amount will be payable.	
	3. If a person repays loan/ deposit and such amount so repaid exceeds INR20,000 and such amount has been repaid except by way of Account payee cheque/ account payee draft/ ECS, an amount equal to such loan/ deposit shall be payable.	
9. Others	1. Failure to apply/quote/ intimate PAN/ quoting false PAN shall attract a penalty of INR10,000	INR 10000/-
	2. Failure to apply/quote TAN/ quoting false TAN shall attract a penalty of INR10,000	
	In case of the following defaults, INR10,000 will be the penalty leviable,	
	1. Refusal to answer questions put by the department	

	2. Refusal to sign statements made in income tax proceedings	
	3. Noncompliance with summons to give evidence/ produce books of accounts	
	4. Failure to comply with a notice	
10. late Filing ITR	1. If the ITR is filed after the due date but by 31st December of the succeeding year.	INR 5000/-
	2. If the ITR is filed after 31st December of the succeeding year.	INR 10000/-
	3. for small taxpayers having total income of up to INR 5 lakh.	INR 1000/-

*Read next: Amendment Summary*

## Amendment Summary

DEC-2022						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
			1 Central Excise	2	3	4
5	6	7 Direct Tax	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	1/12/2022	Central excise	<a href="#">Notification No 40.2022</a>	To reduce the Special Additional Excise Duty on Diesel, Seeks to further amend No. 04/2022-Central Excise, dated the 30th June, 2022
2	1/12/2022	Central excise	<a href="#">Notification No 41.2022</a>	To reduce the Special Additional Excise Duty on production of Petroleum Crude, Seeks to amend No. 18/2022-Central Excise, dated the 19th July, 2022
3	7/12/2022	Direct Tax	<a href="#">Circular No 24.2022</a>	Deduction Of Tax At Source income-Tax Deduction From Salaries Under Section 192 Of The Income-Tax Act, 1961 During The Financial Year 2022-23

### Rectifications in the previous Newsletter:

No Rectifications pertaining to the previous Newsletter(s).

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